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# LIEBERMAN OFFERS ECONOMIC RELIEF PACKAGE FOR KATRINA VICTIMS

WASHINGTON – As part of a Democratic leadership legislative package to help bring relief to Hurricane Katrina victims, Senator Joe Lieberman Friday offered a series of financial proposals to help get the victims back on their feet.

As the recovery efforts continue in and around New Orleans and at scores of remote evacuation sites, Katrina victims must begin picking up the pieces of their lives on the way to resuming normalcy.

“Mr. President, I rise today to offer this amendment to make sure that families already devastated by Hurricane Katrina aren’t pummeled financially as well,” Lieberman said. “With hundreds of thousands of people washed out of their homes and forced out of work, our government must do everything it can to ease their burden so they can rebuild their lives on whatever they salvaged from the storm.

“The first step in rebuilding for most of these people will be getting back on firm financial footing again. This amendment will do exactly that.”

Lieberman’s amendment to the Commerce, Justice, State Appropriations bill includes the following provisions:

- Waiver of caps and cost sharing under the Stafford Act Individuals and Households Program: IHP grants provide aid to those whose needs cannot be met through insurance or other assistance. These grants provide assistance for home repair, rent, temporary housing, or home replacement housing and can also address other needs such as medical, dental, and funeral expenses Grants may not exceed \$26,200 per individual or household. Lieberman’s provision

would authorize the President to waive that cap, and would waive other caps on the amount that could be spent on home repair or home replacement. The provision would also waive a 25% state contribution now required for some grants.

- **Temporary Reinstatement of the Mortgage and Rental Payments Program:** This provision reinstates the Mortgage and Rental Program (MRA) for the affected states. In years past, FEMA administered MRA, which covers rent or mortgage payments for those suffering financial hardship as a result of a major disaster. MRA was eliminated in the Disaster Mitigation Act of 2000 because FEMA said the program was hard to administer, although it was temporarily reinstated after 9/11.
- **Moratorium on Student Loans and Other Payments:** Anyone affected by Hurricane Katrina who has a federal loan will be granted a six-month moratorium during which they will not be penalized if they fail to make payments. This applies to federal student loans, small business loans, or other loan made, subsidized, or guaranteed by the federal government. The President would be authorized to extend the moratorium for up to six months.
- **Ease Bankruptcy Provisions:** Many of the survivors of Katrina will face ongoing financial difficulties. The amendment would make it easier for those devastated by the hurricane to seek protection under bankruptcy laws. Without this provision, many Katrina victims could wind up with damaged credit ratings and burdensome debt.
- **Feed the Victims:** The amendment would provide additional funding to purchase and distribute food for Katrina victims and suspend some requirements, such as requiring a temporarily displaced victim to show that he is looking for a job in order to qualify for food relief. Benefits would be guaranteed for six months and automatically extended for six more months unless the President determines they are unnecessary.
- **Extend and Expand Unemployment Insurance for Victims:** Early estimates suggest that between 500,000 and one million workers will be left jobless by Hurricane Katrina. The jobless rate in the Gulf Coast region is expected to increase to 25 percent or higher. The amendment would extend the deadline for Disaster Unemployment Assistance from 30 days to 90 days and extend program eligibility for individuals who would otherwise be eligible for state unemployment insurance. The maximum duration of benefits would be extended from 26 to 52 weeks and a standard minimum benefit level would be created.

- **Relief for Withdrawals from Retirement Plans:** The amendment would allow those who have suffered losses as a result of Hurricane Katrina to access qualified retirement funds for a period without tax or penalty. Amounts not repaid after five years would be subject to income tax. Tax payments and tax return filing would be suspended for at least six months, and up to a year, unless the President certified the additional time is not necessary.